

Message Text

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10

ACTION EA-14

INFO OCT-01 ADP-00 AID-20 EB-11 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 COME-00 OPIC-12

XMB-07 CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03 NSAE-00

PA-03 PRS-01 USIA-12 INT-08 AGR-20 RSR-01 /173 W

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P R 120550 Z APR 73

FM AMEMBASSY PHNOM PENH

TO SECSTATE WASHDC PRIORITY 885

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY MANILA

AMEMBASSY SAIGON

AMEMBASSY VIENTIANE

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FOR STATE/ AID

PASS COMMERCE

BANGKOK FOR RED AND USOM

E. O. 11652: N/ A

TAGS: BEXP, ETXD, EGEN

SUBJECT: SEATAC TEAM VISIT TO CAMBODIA

1. SUMMARY. FIRST VISIT OF LARGE NUMBER OF U. S. BUSINESSMEN TO CAMBODIA (APRIL 5 AND 6) PROVED TO BE PLEASANT AND INSTRUCTIVE EXPERIENCE BUT NOT OVERLY FRUITFUL FOR POSSIBILITIES OF U. S. PRIVATE INVESTMENTS IN CAMBODIA. TEAM WAS RECEIVED BY MARSHAL LON NOL FOR BRIEF, UNEVENTFUL 20- MINUTE WELCOME AND WAS HOSTED SAME EVENING BY PRIME MINISTER TO DINNER AND KHMER CULTURAL SHOW. BUSINESS MEETINGS INCLUDED WORKING SESSION (DESCRIBED BELOW) AND SMALL WORKSHOPS NEXT DAY ORGANIZED ALONG LINES OF SPECIAL INTEREST TOPICS. END OF SUMMARY.

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2. DESPITE GREAT INTEREST AND OBVIOUS EFFORTS ON PART OF GKR CONCERNING THE TWO- DAY VISIT OF THE SEATAC TEAM, STRONG IMPRESSION WAS EVIDENT THAT FOR THE MOST PART GKR HAS NOT FORMULATED ANY CLEAR, REALISTIC PICTURE OR POLICY OF NATIONAL DEVELOPMENT THROUGH FOREIGN PRIVATE INVESTMENTS IN CAMBODIA. GKR POST- WAR DEVELOPMENT DESIRES, OUTLINED IN A 35- MINUTE PRESENTATION TRANSLATED FROM FRENCH, COVERED IZSR DESIRE TO PURSUE DEVELOPMENT IN THREE GEOGRAPHICAL AREAS AND THROUGH THREE FIELDS OF ENDEAVOR, I. E., TOURISM, AGRO- INDUSTRIES, AND AGRICULTURE. SEATAC GROUP LISTENED THROUGH PRESENTATION POLITELY BUT EVIDENTLY NOT OVERLY IMPRESSED.

3. QUESTION AND ANSWER TIME FOLLOWING GKR PRESENTATION AND COFFEE BREAK CONFIRMED VIEW THAT GKR HAD BUT VAGUE IDEAS OF WHAT DEVELOPMENT CONSISTS OF, ESPECIALLY DEVELOPMENT THAT MIGHT ATTRACT PRIVATE FOREIGN CAPITAL. DELEGATE QUESTIONS ON KHMER LAND LAWS CONCERNING FOREIGN INVESTMENTS WERE NOT SATISFACTORILY ANSWERED. ANSWER ON WORK PERMITS FOR FOREIGNERS, ANSWERED POORLY, LEFT IMPRESSION GKR HAS NO REGULATION COVERING THIS SUBJECT. IN RESPONSE TO GKR DECLARATION OF PRESENCE OF IRON ORE IN THE COUNTRY, DELEGATE PRESSING FOR MORE INFORMATION DISCOVERED THAT IRON ORE HAD NEVER ACTUALLY BEEN SURVEYED BY GKR BUT SPOKESMAN " KNEW" THAT IT WAS PRESENT. MEETING GAVE OVERALL IMPRESSION THAT KHMER ARE DELIGHTFUL PEOPLE BUT NOT AT THIS TIME ATTUNED TO SCOPE AND DEMANDS OF PRIVATE INVESTMENT REQUIREMENTS.

4. CLOSED SESSION BRIEFING IN THE EVENING BY U. S. AMBASSADOR, DEFENSE ATTACHE, AND ECONOMIC COUNSELOR ON PRESENT SITUATION IN CAMBODIA WAS REPORTED BY DELEGATES AS HAVING BEEN WELL RECEIVED AND HIGHLY APPRECIATE. TEAM ASKED QUESTIONS RELATING TO POLITICAL SITUATION AS WELL AS OVERALL INVESTMENT CLIMATE FOR U. S. INVESTORS. INFORMAL DISCUSSION BETWEEN EMBASSY STAFF AND DELEGATES INDICATED DELEGATES NOT OVERLY IMPRESSED BY KHMER OFFICIALS AND BUSINESSMEN, FURTHER INDICATED THAT, COMPARED WITH OTHER SEA COUNTRIES VISITED, CAMBODIA COULD NOT BE VIEWED AS A LIKELY PLACE FOR U. S. PRIVATE INVESTMENTS AT PRESENT TIME.

5. DESPITE THESE NEGATIVE REACTIONS TO CURRENT INVESTMENT POSSIBILITIES, WHICH WERE TO BE ANTICIPATED IN A COUNTRY AT WAR, THE VISIT PROVIDED USEFUL ORIENTATION TO THE GROUP CON- LIMITED OFFICIAL USE

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CERNING POSTWAR POSSIBILITIES. SOME OF THE SEEDS PLANTED MAY

LATER BEAR FRUIT. DECON AFTER 4/12/74.

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SAIGON
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VIENTIANE

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